

ORIGINAL

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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES
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FILED

9
10 UNITED STATES DISTRICT COURT
11 FOR THE CENTRAL DISTRICT OF CALIFORNIA

12 UNITED STATES OF AMERICA,
13 Plaintiff,
14 v.
15 SUK CHANG SONG .
16 Defendant.

SA 18 CR 00153 -CJC
No. CR 18-

PLEA AGREEMENT FOR
DEFENDANT SUK CHANG SONG

18 1. This constitutes the plea agreement between SUK CHANG SONG
19 (“defendant”) and the United States Attorney’s Office for the Central District of
20 California (“USAO”) in the above-captioned case. This agreement is subject to the
21 approval of the United States Department of Justice Tax Division, and is limited to
22 the USAO and cannot bind any other federal, state, local, or foreign prosecuting,
23 administrative, or regulatory authorities.

24 DEFENDANT’S OBLIGATIONS

25 2. Defendant agrees to:

26 a) At the earliest opportunity requested by the USAO and provided by
27 the Court, appear and plead guilty to an information in the form attached hereto as
28

1 Exhibit "A," charging defendant with one count of willfully subscribing to a
2 materially false U.S. Corporation federal income tax return for the 2013 tax year,
3 in violation of 26 U.S.C. § 7206(1).

4 b) Not contest the facts agreed to in this agreement.

5 c) Abide by all agreements regarding sentencing contained in this
6 agreement.

7 d) Appear for all court appearances, surrender as ordered for service
8 of sentence, obey all conditions of any bond, and obey any other ongoing court
9 orders in this matter.

10 e) Not commit any crime; however, offenses that would be excluded
11 for sentencing purposes under the United States Sentencing Guidelines ("U.S.S.G."
12 or "Sentencing Guidelines") §4A1.2(c) are not within the scope of this agreement.

13 f) Be truthful at all times with Pretrial Services, the United States
14 Probation Office, and the Court.

15 g) Pay the applicable special assessment at or before the time of
16 sentencing.

17 h) Pay restitution to the United States for the losses caused by
18 defendant's failure to accurately report and fully pay income taxes on all of the
19 income that defendant's corporation, Toothware, Inc. ("Toothware") earned during
20 the 2012 and 2013 tax years (the "Corporate Income Tax Liability"). (Defendant
21 agrees that he caused Toothware not to report \$497,660.55 in 2012 and
22 \$811,939.79 in 2013, resulting in tax losses of \$169,195.00 for 2012 and
23 \$276,060.00 for 2013.)

24 i) Prior to sentencing, file amended federal and California State
25 income tax returns for 2012 and 2013 that truthfully report all of the income that
26 Toothware earned in those years, and that truthfully report the amount of
27 Toothware's true tax liabilities.

j) Accept, as a condition of supervised release or probation, that: (1) defendant shall file amended individual California and federal income tax returns for 2012 and 2013 that accurately report all of his income and tax liabilities for those years; (2) defendant shall file amended employment tax returns for Toothware for 2012 and 2013 that accurately report all of Toothware's employment and unemployment tax liabilities for those years; (3) defendant shall retain a third party to perform all accounting, bookkeeping, and tax preparation services for any business that defendant owns or operates; (4) defendant shall not accept cash payments from the customers or clients or any business that he owns or operates; (5) defendant shall not make any "cash-back" deposits of any checks obtained from clients or customers of any business owned or operated by defendant; and (6) defendant shall timely file accurate federal and state income tax returns for the period of time that he is on supervised release or probation.

Defendant further agrees that he will provide proof to the Probation Officer of compliance with all of the aforementioned condition of supervised release or probation.

17 3. Defendant will not seek the discharge of his restitution obligation, in
18 whole or in part, in any present or future bankruptcy proceeding.

THE USAO'S OBLIGATIONS

20 | 4. The USAO agrees to:

a) Not contest the facts agreed to in this agreement.

22 b) Abide by all agreements regarding sentencing factors contained in
23 this agreement.

24 c) At the time of sentencing, provided that defendant demonstrates an
25 acceptance of responsibility for the offense up to and including the time of
26 sentencing, to recommend a two-level reduction in the applicable Sentencing
27 Guideline offense level, pursuant to U.S.S.G. § 3E1.1, and recommend and, if

1 necessary, move for an additional one-level reduction if available under that
2 section.

3 d) Recommend that defendant be sentenced to a term of imprisonment
4 no higher than the low end of the applicable Sentencing Guidelines range effective
5 November 1, 2016, provided that the total offense level used by the Court to
6 determine that range is 15 or higher after any adjustment for acceptance of
7 responsibility, and provided that the Court does not depart downward in offense
8 level or criminal history category. For purposes of this agreement, the low end of
9 the Sentencing Guidelines range is that defined by the Sentencing Table in
10 U.S.S.G. Chapter 5, Part A.

11 e) Not to further criminally prosecute defendant for violations arising
12 out of defendant's conduct described in the agreed-to factual basis set forth below.
13 Defendant understands that the USAO is free to criminally prosecute defendant
14 for any other unlawful past conduct or any unlawful conduct that occurs after the
15 date of this agreement. Defendant agrees that at the time of sentencing, the Court
16 may consider the uncharged conduct in determining the applicable Sentencing
17 Guidelines range, the propriety and extent of any departure from that range, and
18 the sentence to be imposed after consideration of the Sentencing Guidelines and all
19 other relevant factors under 18 U.S.C. § 3553(a).

20 NATURE OF THE OFFENSE

21 5. Defendant understands that for defendant to be guilty of the crime
22 charged in Count 1 of the Information, a violation of Title 26, United States Code,
23 Section 7206(1), the following must be true:

24 a) defendant made and signed a U.S. Corporation income tax return
25 for the 2013 tax year that he knew contained false information as to a material
26 matter;

27 b) the return contained a written declaration that it was being signed
28 subject to the penalties of perjury; and

1 c) in subscribing to and filing the false return with the IRS, defendant
2 acted willfully.

3 (A defendant acts willfully for purposes of 26 U.S.C. § 7206(1) if he violates a
4 known legal duty.)

5 Defendant admits that he is, in fact, guilty of this offense as charged in
6 Count 1 of the Information.

7 PENALTIES AND RESTITUTION

8 6. Defendant understands that the statutory maximum sentence that the
9 Court can impose for a violation of Title 26, United States Code, Section 7206(1)
10 is: 3 years imprisonment; a 1 year period of supervised release; a fine of
11 \$250,000.00 or twice the gross gain or gross loss resulting from the offense,
12 whichever is greatest; and a mandatory special assessment of \$100.00.

13 7. Defendant understands and agrees that the Court: (a) may order defendant
14 to pay restitution to the United States for the losses caused to the United States by
15 defendant's subscription to and filing of false U.S. Corporation federal income tax
16 returns (Forms 1120) for Toothware for the tax years 2012 and 2013, and (b) must
17 order defendant to pay the costs of prosecution, which may be in addition to the
18 statutory maximum fine stated above. As stated in paragraph 2h, defendant agrees
19 to make restitution to the United States for the \$445,255 in losses that he admits he
20 willfully caused and intended the United States of America to incur by virtue of his
21 subscription to and filing of false U.S. Corporation income tax returns for 2012 and
22 2013.

23 8. Defendant understands that nothing in this agreement shall preclude, bar,
24 or limit the IRS from examining any federal tax returns of defendant and/or
25 Toothware (including employment tax returns) or making adjustments to any such
26 returns, and/or assessing and collecting any additional tax liabilities, including
27 interest and penalties, determined by the IRS to be due and owing from defendant.
28

1 9. Defendant understands that supervised release is a period of time
2 following imprisonment during which defendant will be subject to various
3 restrictions and requirements. Defendant understands that if defendant violates one
4 or more of the conditions of any supervised release imposed, defendant may be
5 returned to prison for all or part of the term of supervised release authorized by
6 statute for the offense that resulted in the term of supervised release, which could
7 result in defendant serving a total term of imprisonment greater than the statutory
8 maximum as stated above.

9 10. Defendant understands that, by pleading guilty, defendant may be
10 giving up valuable government benefits and valuable civic rights, such as the right
11 to vote, the right to possess a firearm, the right to hold office, and the right to serve
12 on a jury. Defendant understands that once the court accepts defendant's guilty
13 plea, it will be a federal felony for defendant to possess a firearm or ammunition.
14 Defendant understands the conviction in this case may subject defendant to various
15 collateral consequences, including but not limited to, revocation of probation,
16 parole, or supervised release in another case, and suspension or revocation of a
17 professional license. Defendant understands that unanticipated collateral
18 consequences will not serve as grounds to withdraw defendant's plea of guilty.

19 11. Defendant understands that, if defendant is not a United States citizen,
20 the felony conviction in this case may subject defendant to: removal, also known
21 as deportation, which may, under some circumstances, be mandatory; denial of
22 citizenship; and denial of admission to the United States in the future. The court
23 cannot, and defendant's attorney also may not be able to, advise defendant fully
24 regarding the immigration consequences of the felony conviction in this case.
25 Defendant understands that unexpected immigration consequences will not serve
26 as grounds to withdraw defendant's guilty plea.

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FACTUAL BASIS

2 12. Defendant admits that defendant is, in fact, guilty of the offense to
3 which defendant is agreeing to plead guilty. Defendant and the USAO agree and
4 stipulate to the statement of facts attached hereto as Exhibit "B." Defendant
5 agrees that this statement of facts is sufficient to support a plea of guilty to the
6 charges described in this agreement and to establish the Sentencing Guidelines
7 factors set forth in the paragraph 15 below. The statement of facts set forth in
8 Exhibit "B" is not meant to be a complete recitation of all facts relevant to
9 defendant's underlying criminal conduct or all facts known to either party that
10 relate to that conduct.

SENTENCING FACTORS

12 13. The parties agree that for purposes of calculating the base offense level,
13 as set forth below, the applicable tax loss is \$445, 255.

14 14. Defendant understands that in determining defendant's sentence the
15 Court is required to calculate the applicable Sentencing Guidelines range and to
16 consider that range, possible departures under the Sentencing Guidelines, and the
17 other sentencing factors set forth in 18 U.S.C. § 3553(a)(1). Defendant
18 understands that the Sentencing Guidelines are advisory only, that defendant
19 cannot have any expectation of receiving a sentence within the calculated
20 Sentencing Guidelines range, and that after considering the Sentencing Guidelines
21 and the other § 3553(a) factors, the Court will be free to exercise its discretion to
22 impose any sentence it finds appropriate up to the maximum set by statute for the
23 crime of conviction.

24 15. Defendant and the USAO agree to the following applicable Sentencing
25 Guidelines factors:

Base Offense Level : 18 [U.S.S.G. §§ 2T1.1, 2T4.1]

1 (because the tax loss, before interest and penalties, for criminal purposes, is more
2 than \$250,000 and less than \$550,000)

3 **Acceptance of Responsibility:** **-2** [U.S.S.G. §3E1.1(a)]

4 **TOTAL OFFENSE LEVEL:** **16**

5 The USAO will agree to a two-level downward adjustment for acceptance of
6 responsibility (and, if applicable, move for an additional one-level downward
7 adjustment under U.S.S.G. § 3E1.1(b)), resulting in a Total Offense Level of 15,
8 only if the conditions set forth under paragraph 2, above, are met.

9 Subject to paragraph 16 below, defendant and the USAO agree not to seek,
10 argue, or suggest in any way, either orally or in writing, that any other specific
11 offense characteristics, adjustments, or departures relating to the offense level be
12 imposed. Defendant agrees, however, that if, after signing this agreement but prior
13 to sentencing, defendant were to commit an act, or the USAO were to discover a
14 previously undiscovered act committed by defendant prior to signing this
15 agreement, which act, in the judgment of the USAO, constituted obstruction of
16 justice within the meaning of U.S.S.G. § 3C1.1, the USAO would be free to seek
17 the enhancement set forth in that section.
18

19 16. Defendant understands that there is no agreement as to defendant's
20 criminal history or criminal history category.

21 17. Defendant and the USAO agree that defendant may seek a more lenient
22 sentence than the sentence suggested under the Guidelines by arguing the factors
23 listed in 18 U.S.C. § 3553(a)(1)-(7), provided that defendant does not argue that
24 the tax loss is less than \$445,255, or argue that he is entitled to an adjustment for
25 acceptance of responsibility or that he has, in fact, accepted responsibility for his
26 criminal conduct, if he has failed to comply with his obligations under paragraph 2
27 of this agreement. The USAO may oppose those arguments.
28

WAIVER OF CONSTITUTIONAL RIGHTS

18. Defendant understands that by pleading guilty, defendant gives up the following rights:

- a) The right to persist in a plea of not guilty.
 - b) The right to a speedy and public trial by jury.
 - c) The right to be represented by counsel and, if necessary, have the court appoint counsel at trial. Defendant understands, however, that, defendant has the right to be represented by counsel and, if necessary, to have the Court appoint counsel at every other stage of the proceeding.
 - d) The right to be presumed innocent and to have the burden of proof placed on the government to prove defendant guilty beyond a reasonable doubt.
 - e) The right to confront and cross-examine witnesses against defendant.
 - f) The right to testify and to present evidence in opposition to the prosecution, including the right to compel the attendance of witnesses to testify.
 - g) The right not to be compelled to testify, and, if defendant chose not to testify, to have that choice not be used against defendant.
 - h) Any and all rights to pursue any affirmative defenses, Fourth Amendment or Fifth Amendment claims, and other pretrial motions that have been filed.

WAIVER OF APPEAL OF CONVICTION

19. Defendant understands that, with the exception of an appeal based on a claim that defendant's guilty plea was involuntary, by pleading guilty defendant is waiving and giving up any right to appeal defendant's conviction of the offense to which defendant is pleading guilty.

11

1 LIMITED MUTUAL WAIVER OF APPEAL

2 20. Defendant agrees that, provided that the Court imposes a total term of
3 imprisonment on the count of conviction within or below the range corresponding
4 to a total offense level of 18, before any adjustment for acceptance of
5 responsibility, and the criminal history category calculated by the Court, defendant
6 gives up the right to appeal all of the following: (a) the procedures and calculations
7 used to determine and impose any portion of the sentence; (b) the term of
8 imprisonment imposed by the Court; (c) the fine imposed by the court, provided it
9 is within the statutory maximum; (d) the amount and terms of any restitution order,
10 provided it requires payment of no more than the sum of the Individual Income
11 Tax Liability, the Corporate Tax Liability and the Employment Tax Liability; (e)
12 the term of probation or supervised release imposed by the Court, provided it is
13 within the statutory maximum; (f) any of the following conditions of probation or
14 supervised release imposed by the Court: the conditions set forth in General Orders
15 318, 01-15, and/or 05-02 of this Court; the drug testing conditions mandated by 18
16 U.S.C. §§ 3563(a)(5) and 3583(d); the alcohol and drug use conditions authorized
17 by 18 U.S.C. § 3563(b); and any condition of probation or supervised release
18 agreed to by defendant in paragraph 2, above.

20 21. The USAO agrees that, provided (a) all portions of the sentence are at or
21 below the statutory maximum specified above and (b) the Court imposes a term of
22 imprisonment within or above the range corresponding to a total offense level of
23 15, and the criminal history category calculated by the Court, the USAO gives up
24 its right to appeal any portion of the sentence, with the exception that the USAO
25 reserves the right to appeal the amount of restitution ordered if that amount is less
26 than the sum of the Individual Income Tax Liability, the Corporate Tax Liability
27
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1 and the Employment Tax Liability; (e) the term of probation or supervised release
2 imposed by the Court, provided it is within the statutory maximum.

3 **RESULT OF WITHDRAWAL OF GUILTY PLEA**

4 22. Defendant agrees that if, after entering guilty pleas pursuant to this
5 agreement, defendant seeks to withdraw and succeeds in withdrawing defendant's
6 guilty pleas on any basis other than a claim and finding that entry into this plea
7 agreement was involuntary, then (a) the USAO will be relieved of all of its
8 obligations under this agreement; and (b) should the USAO choose to pursue any
9 criminal charge or any civil, administrative, or regulatory action that was either
10 dismissed or not filed as a result of this agreement, then (i) any applicable statute
11 of limitations will be tolled between the date of defendant's signing of this
12 agreement and the filing commencing any such action; and (ii) defendant waives
13 and gives up all defenses based on the statute of limitations, any claim of pre-
14 indictment delay, or any speedy trial claim with respect to any such action, except
15 to the extent that such defenses existed as of the date of defendant's signing this
16 agreement.
17

18 **EFFECTIVE DATE OF AGREEMENT**

19 23. This agreement is effective upon signature and execution by defendant,
20 defendant's counsel, and an Assistant United States Attorney.

21 **BREACH OF AGREEMENT**

22 24. Defendant agrees that if defendant, at any time after the signature of this
23 agreement and execution of all required certifications by defendant, defendant's
24 counsel, and an Assistant United States Attorney, knowingly violates or fails to
25 perform any of defendant's obligations under this agreement ("a breach"), the
26 USAO may declare this agreement breached. All of defendant's obligations are
27 material, a single breach of this agreement is sufficient for the USAO to declare a
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1 breach, and defendant shall not be deemed to have cured a breach without the
2 express agreement of the USAO in writing. If the USAO declares this agreement
3 breached, and the Court finds such a breach to have occurred, then: (a) if defendant
4 has previously entered a guilty plea pursuant to this agreement, defendant will not
5 be able to withdraw the guilty plea, and (b) the USAO will be relieved of all of its
6 obligations under this agreement.

7 25. Following the Court's finding of a knowing and willful breach of this
8 agreement by defendant, should the USAO elect to pursue any charge or any civil,
9 administrative, or regulatory action that was not filed as a result of this agreement,
10 then:

11 a) Defendant agrees that any applicable statute of limitations is tolled
12 between the date of defendant's signing of this agreement and the commencement
13 of any such action.

14 b) Defendant waives and gives up all defenses based on the statute of
15 limitations, any claim of pre-indictment delay, or any speedy trial claim with
16 respect to any such action, except to the extent that such defenses existed as of the
17 date of defendant's signing this agreement.

18 c) Defendant agrees that: (i) any statements made by defendant, under
19 oath, at the guilty plea hearing (if such a hearing occurred prior to the breach); (ii)
20 the agreed to factual basis statement in this agreement; and (iii) any evidence
21 derived from such statements, shall be admissible against defendant in any such
22 action against defendant, and defendant waives and gives up any claim under the
23 United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence,
24 Rule 11(f) of the Federal Rules of Criminal Procedure, or any other federal rule,
25 that the statements or any evidence derived from any statements should be
26 suppressed or are inadmissible.

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1 COURT AND PROBATION OFFICE NOT PARTIES

2 26. Defendant understands that the Court and the United States Probation
3 Office are not parties to this agreement and need not accept any of the USAO's
4 sentencing recommendations or the parties' agreements to facts or sentencing
5 factors.

6 27. Defendant understands and agrees that both defendant and the USAO
7 are free to: (a) supplement the facts by supplying relevant information to the
8 United States Probation Office and the Court, (b) correct any and all factual
9 misstatements relating to the Court's Sentencing Guidelines calculations, and (c)
10 argue on appeal and collateral review that the Court's Sentencing Guidelines
11 calculations are not in error, although each party agrees to maintain its views that
12 the calculations in paragraph 14 are consistent with the facts of this case. Although
13 this paragraph permits both the USAO and defendant to submit full and complete
14 factual information to the United States Probation Office and the Court, even if
15 that factual information may be viewed as inconsistent with the facts agreed to in
16 this agreement, this paragraph does not affect defendant's and the USAO's
17 obligations not to contest the facts agreed to in this agreement.

18 28. Defendant understands that even if the Court ignores any sentencing
19 recommendation, finds facts or reaches conclusions different from those agreed to,
20 and/or imposes any sentence up to the maximum established by statute, defendant
21 cannot, for that reason, withdraw defendant's guilty plea, and defendant will
22 remain bound to fulfill all defendant's obligations under this agreement.
23 Defendant understands that no one – not the prosecutor, defendant's attorney, or
24 the Court – can make a binding prediction or promise regarding the sentence
25 defendant will receive, except that it will be within the statutory maximum.

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1 NO ADDITIONAL AGREEMENTS

2 29. Defendant understands that, except as set forth herein, there are no
3 promises, understandings, or agreements between the USAO and defendant or
4 defendant's attorney, and that no additional promise, understanding, or agreement
5 may be entered into unless in a writing signed by all parties or on the record in
6 court.

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PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

30. The parties agree that this agreement will be considered part of the record of defendant's guilty plea hearing as if the entire agreement had been read into the record of the proceeding.

AGREED AND ACCEPTED

UNITED STATES ATTORNEY'S OFFICE
FOR THE CENTRAL DISTRICT OF CALIFORNIA
NICOLA T. HANNA
United States Attorney

PAUL H. ROCHMES
Assistant United States Attorney

Date 7/13/18

SUK CHANG SONG
Defendant

Date 5/6/2018

GARY KUWADA
Attorney for Defendant
SUK CHANG SONG

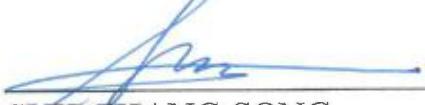
Date 5/16/2018

RICHARD M STEINGARD
Attorney for Defendant
SUK CHANG SONG

Date 5/16/2018

1 CERTIFICATION OF DEFENDANT

2 This agreement, including the statement of facts attached hereto as Exhibit
3 "B," has been read to me, in its entirety, in Korean, the language I understand best.
4 I have had enough time to review and consider this agreement, and I have carefully
5 and thoroughly discussed every part of it with my attorneys. I understand the
6 terms of this agreement, and I voluntarily agree to those terms. I have discussed
7 the evidence with my attorneys, and my attorneys have advised me of my rights, of
8 possible pretrial motions that might be filed, of possible defenses that might be
9 asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. §
10 3553(a), of the relevant Sentencing Guidelines provisions, and of the consequences
11 of entering into this agreement. No promises, inducements, or representations of
12 any kind have been made to me other than those contained in this agreement. No
13 one has threatened or forced me in any way to enter into this agreement. I am
14 satisfied with the representation of my attorneys in this matter, and I am pleading
15 guilty because I am guilty of the charges and wish to take advantage of the
16 promises set forth in this agreement, and not for any other reason.

17 
18 _____
19 SUK CHANG SONG
20 Defendant

21 //
22 Date 5/16/2018
23 //
24 //
25 //
26 //
27 //
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1 CERTIFICATION OF DEFENDANT'S INTERPRETER
2

3 I, Hye Jae Kim, am fluent in written and spoken English and
4 Korean. I accurately translated this entire agreement, including the attached
5 information and attached statement of facts, from English into Korean to defendant
6 SUK CHANG SONG on this date.

7 
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5-16-18

9 Interpreter

10 Date

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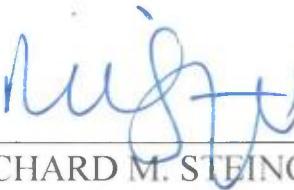
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1 CERTIFICATION OF DEFENDANT'S ATTORNEYS

2 We are SUK CHANG SONG's attorneys.

3 This agreement has been read to our client in Korean, the language he
4 understands best. We have carefully and thoroughly discussed every part of this
5 agreement with our client, including the Information attached as Exhibit "A" and
6 the Statement of Facts attached as Exhibit "B." Further, we have fully advised our
7 client of his rights, of possible pretrial motions that might be filed, of possible
8 defenses that might be asserted either prior to or at trial, of the sentencing factors
9 set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and
10 of the consequences of entering into this agreement. To our knowledge, no
11 promises, inducements, or representations of any kind have been made to our client
12 other than those contained in this agreement; no one has threatened or forced my
13 client in any way to enter into this agreement; our client's decision to enter into
14 this agreement is an informed and voluntary one; and the factual basis set forth in
15 this agreement is sufficient to support our client's entry of guilty pleas pursuant to
16 this agreement.

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19 
20 GARY KUWADA
21 Attorney for Defendant
22 SUK CHANG SONG

23
24
25 
26 RICHARD M. STEINGARD
27 Attorney for Defendant
28 SUK CHANG SONG

 Date

 5/16/2018

 Date

**UNITED STATES V. SUK CHANG SONG
EXHIBIT A TO PLEA AGREEMENT- INFORMATION**

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,
Plaintiff,
vs.
SUK CHANG SONG,
Defendant
No. CR 18-
I N F O R M A T I O N
[26 U.S.C. § 7206(1): Willfully
Subscribing To False Return]

The United States Attorney charges:

[26 U.S.C. § 7206(1)]

On or about July 7, 2014, in Orange County, within the Central District of California defendant SUK CHANG SONG, a resident of Buena Park, California, did willfully subscribe to a U.S. Corporation Income Tax Return, Form 1120, for 2013 for Toothware, Inc., which, as defendant knew and intended, was false as to a material matter, in that the return failed to report all of the gross receipts that Toothware, Inc. had received during 2013. More specifically, on line 1a the return stated that Toothware, Inc. had received \$395,853 in gross receipts and sales in 2013, whereas, as defendant knew,

//

1 Toothware, Inc. had received more than \$811,000 in gross
2 receipts and sales in 2013.

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4 NICOLA T. HANNA
United States Attorney

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7 LAWRENCE MIDDLETON
Assistant United States Attorney
Chief, Criminal Division

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10 THOMAS D. COKER
Assistant United States Attorney
Chief, Tax Division

11
12
13 PAUL H. ROCHMES
Assistant United States Attorney
Tax Division

1
2 **UNITED STATES v. SUK CHANG SONG**
3 **CASE NO. CR 18--**

4 **EXHIBIT "B" TO PLEA AGREEMENT**
5 **STATEMENT OF FACTS**

6 1. During 2012 and 2013, defendant Suk Chang Song ("Defendant"), a
7 resident of Buena Park, California, owned and operated and Toothware, Inc., a
8 California corporation located in Garden Grove, California, that provided
9 laboratory services to dentists, such as the preparation of dental prosthetics and
10 crowns.

11 2. Toothware Inc.'s clients paid Toothware, Inc. by check.

12 3. Defendant maintained bank accounts for Toothware, Inc. at Bank of
13 America, Unity Bank, and Bank of Hope (formerly BBCN Bank).

14 4. Defendant retained an outside accountant to prepare Toothware,
15 Inc.'s U. S. Corporation Income Tax Returns.

16 5. Defendant intentionally failed to inform the outside accountant of all of the
17 payments that Toothware, Inc. had received from its clients, and intentionally
18 concealed from the accountant that he frequently cashed client checks, rather than
19 depositing them into Toothware, Inc.'s accounts. As a result of defendant's failure
20 to inform the accountant of all Toothware, Inc.'s gross receipts, the accountant
prepared tax returns for Toothware, Inc. that, as defendant intended, failed to
report all of the gross receipts and sales that the corporation had received.

21 6. As a result of (1) defendant's practice of cashing, rather than depositing
22 checks that he received from Toothware, Inc.'s clients, and (2) defendant's
23 concealment of the cashed checks from Toothware, Inc.'s accountant, for the tax
24 year 2012 Toothware, Inc.'s U. S. Corporation Income Tax Return (the "2012
25 Return") failed to report \$497,660.55 in gross receipts and sales that defendant had
received on Toothware, Inc.'s behalf.

26 7. As a result of (1) defendant's practice of cashing, rather than depositing
27 checks that he received from Toothware, Inc.'s clients, and (2) defendant's
28 concealment of the cashed checks from Toothware, Inc.'s accountant, for the tax

1 year 2013 Toothware, Inc.'s U. S. Corporation Income Tax Return (the "2013
2 Return") failed to report \$811,939.79 in gross receipts and sales that defendant had
3 received on Toothware, Inc.'s behalf.

4 8. On or about July 7, 2014, defendant willfully subscribed to the 2013
5 Return under penalty of perjury. At the time that he subscribed to the 2013 Return,
6 defendant knew that the return falsely reported that Toothware, Inc. had received
7 \$395,853 in gross receipts or sales in 2013, when, in fact, as defendant knew,
8 Toothware, Inc. had received \$1,207,792.79 in gross receipts or sales in 2013.
9

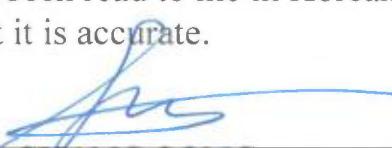
10 9. On or about July 7, 2014, defendant caused the 2013 Return to be filed with
11 the Internal Revenue Service.
12

13 10. Defendant's failure to report all of the gross receipts and sales that
14 Toothware, Inc. received in 2012 and 2013 on the 2012 Return and the 2013
15 Return caused the United States to incur a tax loss of \$445,255.00.
16

17 11. In subscribing to and causing the filing of the 2013 Return, defendant acted
18 willfully, with the specific intention of violating his legal duty to subscribe to and
19 file a federal income tax return that accurately reported all of the gross receipts or
20 sales that Toothware, Inc. had received during 2013.
21

22 The foregoing statement of facts has been read to me in Korean, the
23 language I understand best, and I agree that it is accurate.
24

25 Date: 5/16, 2018
26

27 
28 SUK CHANG SONG